



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2011): Rs. 7.2756

October 2011

Performance

Performance %	October 2011*	Jul. - Oct. 2011**	Jan. - Oct. 2011**	Trailing 12 Months**	Since Launch October 29, 2007**
NAFA Islamic Aggressive Income Fund <i>Formerly NAFA Islamic Income Fund</i>	-0.13%	2.35%	8.51%	12.84%	1.34%
Benchmark	0.66%	7.88%	7.75%	7.58%	6.52%

* Represent Cumulative Return

** Represent Annualized Return - (based on morning star formula)

(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date:	October 29, 2007
Fund Size:	Rs. 156 million
Type:	Open-end – Shariah Compliant Aggressive Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 1.0%, Back end: 0%
Management Fee:	2.0% per annum
Risk Profile:	Low to Medium
Fund Stability Rating:	"BBB (f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants
Benchmark:	Average 3-month deposit rate of Islamic Banks
Fund Manager:	Hussain Yasar
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' by PACRA

Investment Objective

To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.

Fund Manager Commentary

The Fund's unit price declined by 0.13% during October 2011. The return is negative on account of downward adjustment in accrual rate of a cement sector Sukuk. The annualized return for the first 10 months of the CY 2011 is 8.51% against the benchmark return of 7.75%, hence an out-performance of 76 basis points.

Your Fund is invested in sukuk of Cement, Fertilizer and Consumer Electronics sub-sectors. Around 8% of the portfolio is allocated to the Government Ijarah sukuk and 12.54% in bank deposits, which provide diversification and liquidity to the portfolio.

The weighted average Yield-to-Maturity of the sukuk portfolio of your Fund is around 21.71% p.a., while its weighted average time to maturity is 2.16 years. The weighted average time to maturity of your Fund is 1.47 years. Hence, for investors with an investment horizon of three to four years, the Fund offers an attractive opportunity to earn handsome returns. However, since there are sukuk in the portfolio and their prices may go up and down; therefore only long-term investors are advised to invest in this Fund.

Asset Allocation (% of NAV) 31-Oct-11 30-Sep-11

	31-Oct-11	30-Sep-11
Sukuk	73.73%	70.31%
GOP Ijarah Sukuk	7.62%	6.90%
Cash Equivalents	12.54%	15.93%
Other Net Assets	6.11%	6.86%
Total	100.00%	100.00%
Leverage	Nil	Nil

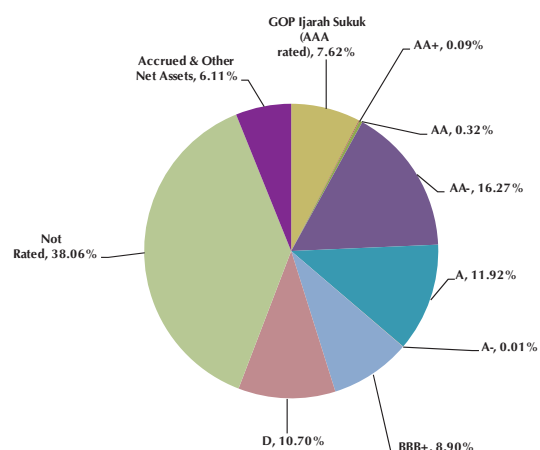
Details of Non-Compliant Investments

Excess exposure				
Particulars	Exposure Type	% of Net Assets	Limit	Excess Exposure
Kohat Cement Limited (Sukuk)	Per Party	38.06%	15.00%	23.06%
Construction and Material	Sector	48.76%	35.00%	13.76%

Top Sukuk Holdings (as at October 31, 2011)

Name of Sukuk	% of Net Assets
Kohat Cement Limited (Sukuk)	38.06%
Engro Fertilizer Limited (Sukuk)	16.08%
Maple Leaf Cement (Sukuk I)	10.69%
Pak Elektron Limited (Sukuk)	8.90%
GOP Ijarah (Sukuk V)	6.33%
GOP Ijarah (Sukuk VII)	1.29%
Total	81.35%

Credit Quality of the Portfolio as of October 31, 2011 (% of NAV)



Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Hussain Yasar